



# INFORMATION MEMORANDUM

## CITY ADMINISTRATION

To: Mayor and City Council  
Through: Ben Williamson, City Manager  
From: Jawaria Tareen, Deputy City Manager  
Date: March 8, 2026  
Subject: Interlocal Agreement with Dallas Area Rapid Transit (DART) – Participation in the General Mobility Program (GMP)

---

### **PURPOSE**

The purpose of this memorandum is to provide background and policy context regarding the proposed Interlocal Agreement (ILA) with Dallas Area Rapid Transit (DART) for participation in the General Mobility Program (GMP). The agreement establishes the framework through which the City of Farmers Branch may receive funding allocations from DART to support transportation and mobility improvements within the City.

Approval of the Interlocal Agreement authorizes the City Manager to execute the agreement on behalf of the City and enables Farmers Branch to access funding made available through the regional program.

### **BACKGROUND**

Public transportation has historically been regarded as a shared regional investment intended to advance mobility, economic opportunity, environmental sustainability, and overall quality of life. The City of Farmers Branch continues to recognize the importance of reliable transit access for residents, employees, businesses, and visitors, as well as the broader regional value of coordinated mobility systems.

At the same time, municipalities participating in regional transit systems must ensure that public resources are deployed transparently, accountably, and cost-effectively, while remaining responsive to evolving community needs.

Dallas Area Rapid Transit (DART) is a regional transportation authority established under Chapter 452 of the Texas Transportation Code and funded through a one-percent local sales tax collected within its member cities. The agency currently serves thirteen member cities and provides regional mobility through bus, light rail, commuter rail, and paratransit services throughout North Texas.

In recent years, several DART member cities, including Farmers Branch, raised concerns about governance structure, financial equity, service allocation, and the distribution of long-term capital investment within the regional system. A regional cost allocation analysis conducted in 2024

indicated that several cities contribute more in sales tax revenue than the estimated value of transit services received. Communities identified in this category are often referred to as “donor cities.” The City of Farmers Branch generates approximately \$24 million in annual sales tax revenue for the DART system, while the estimated allocation of services attributed to the City is approximately \$20 million annually. This difference prompted discussions among several member cities regarding how to improve financial transparency, governance coordination, and equitable investment across the regional system.

In response to these concerns, the Farmers Branch City Council adopted Ordinance No. 3977 on November 4, 2025, ordering a special election to be held on May 2, 2026, to consider dissolution of the City’s participation in the DART system, subject to the continued collection of sales taxes for the period required by applicable law.

Following the adoption of the ordinance, the City transmitted a formal letter to DART on December 17, 2025, identifying a series of policy and governance considerations the City believed were necessary to support continued participation in the regional transit system. These considerations included improvements in governance structure, transparency in financial allocation methodologies, and increased flexibility for member cities in the use of transportation funding.

Since that time, DART representatives have met with City officials and other member cities to discuss potential policy adjustments intended to address these concerns. These discussions have included topics such as governance structure, service delivery expectations, financial transparency, and new mechanisms for returning a portion of regional transit funding to member cities.

One of the primary outcomes of these discussions was the development of the General Mobility Program (GMP). The GMP was established by the DART Board of Directors as a funding initiative designed to return a portion of DART sales tax revenue to member cities for locally directed transportation and mobility improvements.

The program allows participating cities to invest in transportation infrastructure projects that support or complement the regional transit network while addressing local mobility priorities. Eligible projects may include roadway improvements, pedestrian and bicycle connectivity, intersection enhancements, safety improvements, and other mobility-related infrastructures.

The program is structured as a multi-year funding initiative extending from Fiscal Year 2026 through Fiscal Year 2031. Under the program framework, a portion of DART’s annual sales tax revenue will be allocated to participating member cities. The allocation begins at approximately 5 percent of system sales tax revenue and gradually increases over the life of the program.

In addition to DART funding, the North Central Texas Council of Governments (NCTCOG) Regional Transportation Council approved approximately \$75 million in supplemental regional transportation funding to support the program. When combined with the DART allocation, the program is expected to return approximately 10 percent of the sales tax equivalent to participating member cities by Fiscal Year 2031.

After evaluating the potential financial, operational, and legal implications of withdrawing from the DART system, the Farmers Branch City Council subsequently determined that maintaining participation in the regional system while pursuing governance and funding reforms represented the most fiscally responsible path forward.

As a result, the City Council adopted Ordinance No. 3994, which formally canceled the previously ordered May 2, 2026, special election concerning potential withdrawal from DART.

Under Texas Transportation Code §452.651, withdrawal elections for regional transportation authorities governed by Subchapter O may only occur during specific statutory years. The next legally permitted withdrawal election window would not occur until six years after 2026, establishing a defined statutory timeline for future consideration.

By rescinding the election and continuing participation in the DART system, the City preserved access to the regional transit network while positioning itself to benefit from policy reforms and new funding mechanisms such as the General Mobility Program.

Participation in the General Mobility Program requires each member city to execute an Interlocal Agreement (ILA) with DART, establishing the administrative and financial framework for the program.

## **DISCUSSION**

The proposed Interlocal Agreement establishes the terms under which the City of Farmers Branch will participate in the DART General Mobility Program and receive funding allocations for transportation improvements within the City. The agreement outlines program requirements, including:

- methodology for calculating each city's funding allocation
- eligible project categories
- reimbursement procedures
- reporting and compliance requirements
- coordination with DART and regional transportation partners

Participation in the program allows the City to leverage regional transportation funding to advance locally prioritized infrastructure improvements that enhance mobility, safety, and connectivity within the community.

Based on financial information presented during the program's development, Farmers Branch could reasonably expect to receive approximately \$1.5 million to \$2.5 million annually in General Mobility Program funding during the program's early years, depending on regional sales tax performance and program participation levels.

As the program expands over the six-year period and the percentage allocation increases, the City's annual funding allocation may increase accordingly. Over the life of the program, Farmers Branch could receive approximately \$12 million to \$15 million in total mobility funding that may be directed toward locally identified transportation priorities.

Eligible uses of General Mobility Program funds include transportation improvements that support or complement the regional transit network, such as:

- roadway and intersection improvements
- pedestrian and bicycle infrastructure
- traffic safety enhancements
- infrastructure that improves access to transit facilities
- other mobility improvements consistent with state law governing regional transportation authorities

Importantly, the General Mobility Program represents a policy change within the DART system that directly addresses concerns raised by member cities regarding financial equity and local return on investment.

By providing cities with a defined allocation of transportation funding that can be directed to local mobility projects, the program improves transparency and gives cities greater flexibility to address transportation priorities in their communities.

Execution of the Interlocal Agreement does not create additional financial obligations beyond the City's existing participation in the DART system and compliance with program requirements. Instead, the agreement enables Farmers Branch to access regional funding to support transportation infrastructure improvements that might otherwise require local funding.

Approval of the Interlocal Agreement authorizes the City Manager to execute the agreement with Dallas Area Rapid Transit, allowing the City of Farmers Branch to participate in the General Mobility Program and receive funding allocations available to DART member cities over the life of the program.

### **FISCAL IMPACT**

The City of Farmers Branch will continue to *contribute 1 percent of local sales tax revenue* to DART, consistent with existing statutory requirements and long-standing participation in the regional transportation authority.

Participation in the General Mobility Program provides the City with the opportunity to receive regional transportation funding allocations estimated at approximately \$1.5 million to \$2.5 million annually, with potential increases over the life of the program. Adding grants and other incentives tied to DART membership, the total minimum value is expected to be in the \$15MM range.

These funds may be used to support transportation and mobility improvements within the City without requiring additional local funding sources.